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**JURY CONVICTS WOMAN OF CONCEALING MAN WANTED IN EBAY CASE
INVOLVING SALE OF FAKE DIEBENKORN PAINTING FOR \$135,805**

SACRAMENTO--United States Attorney John K. Vincent announced that late yesterday a federal jury convicted TERRI ANN GALIPEAUX, 46, of Stateline, Nevada, of concealing the fugitive KENNETH A. FETTERMAN, 33, of Placerville, California, from arrest. FETTERMAN is wanted by the FBI on fraud and money laundering charges for his alleged participation in a ring of fraudulent bidding in hundreds of art auctions on eBay, including one in which an eBay user was induced to bid over \$135,805 for a fake Richard Diebenkorn painting. The jury deliberated only one hour following a two-day trial, and Judge Lawrence K. Karlton ordered GALIPEAUX to remain in custody pending her sentencing, which is set for November 6. GALIPEAUX faces a sentence of up to five years imprisonment and a \$250,000 fine.

FETTERMAN remains at large and is being sought by the FBI under an arrest warrant. A photograph of FETTERMAN is available upon request.

Galipeaux's Concealment of Fetterman

According to Assistant United States Attorneys Christopher P. Sonderby and Michael J. Malecek, who prosecuted the case, the evidence at trial showed that GALIPEAUX was living with FETTERMAN in South Lake Tahoe at the time he was charged in the 16-count indictment on March 8, 2001. After reading a Sacramento Bee article detailing the indictment and arrest warrant for FETTERMAN and featuring his photograph, GALIPEAUX and FETTERMAN fled their apartment and began renting motel rooms in the South Lake Tahoe area to avoid the FBI, including the Motel 6, El Nido, Washoe Motel, Star Lake Motel, and Westerner Inn.

The evidence at trial also showed that GALIPEAUX and FETTERMAN registered at these motels using aliases so that the FBI and law enforcement could not "track them down." At the Westerner Motel, GALIPEAUX booked a room under the false name "Becky White" to conceal FETTERMAN. GALIPEAUX also attempted to feed the FBI false information about FETTERMAN's whereabouts, instructing her mother to tell the FBI that she and FETTERMAN were

"going North."

In a statement to FBI Special Agent John Boles when she was arrested at a Northern California truck stop in June, which was admitted at trial, GALIPEAUX said that she had been on the run with FETTERMAN for the past three months as they traveled to Utah, New Mexico, Nevada and Texas in FETTERMAN's car. GALIPEAUX also told the FBI that she and FETTERMAN rented a different motel room every two to three days to avoid capture by the FBI, and frequently stopped at local libraries so that FETTERMAN could go on-line to research law and check FBI case history. According to trial testimony, GALIPEAUX "wouldn't or couldn't" tell the FBI where she had just been with FETTERMAN or where FETTERMAN was heading.

Prior Guilty Pleas in eBay Shill Bidding Case

On April 17, 2001, FETTERMAN's co-defendants each pled guilty to mail and wire fraud counts relating to the eBay fraud scheme. KENNETH A. WALTON, 33, an attorney from Sacramento, California, pled guilty to three counts of wire fraud and four counts of mail fraud for making the fraudulent or "shill" bids; SCOTT BEACH, 31, of Lakewood, Colorado, pled guilty to one count of wire fraud and three counts of mail fraud. The Indictment charges FETTERMAN with four counts of wire fraud, six counts of mail fraud, and six counts of money laundering for promoting the fraudulent bidding scheme using laundered funds. The fraud counts each carry a sentence of up to five years in prison and a \$250,000 fine, and the money laundering counts carry a sentence of up to twenty years in prison and a \$500,000 fine.

WALTON and BEACH admitted that the three defendants created more than 40 User IDs on eBay using false registration information, and then used those aliases to place fraudulent bids to artificially inflate the prices of literally hundreds of paintings they auctioned on eBay from November 1998 to June 2000. The Indictment alleges that the total value of the winning bids in the fraudulent auctions exceeded \$450,000. (A more complete description of the Indictment and guilty pleas are available in this Office's press releases from March 8 and April 17, 2001.)

The case is being investigated by the Federal Bureau of Investigation.

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